

EXHIBIT B

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8 **Attorneys for BEADLE McBRIDE EVANS & REEVES**
9 **and GARTH McBRIDE**

10
11 **UNITED STATES BANKRUPTCY COURT**
12 **DISTRICT OF NEVADA**

13 In Re:) Case No. **BK-S-06-10725-LBR**
14 USA COMMERCIAL MORTGAGE COMPANY,)
15 Debtor.) JOINTLY ADMINISTERED
16) Chapter 11 Cases
17) Judge Linda B. Riegle
18)
19 USACM LIQUIDATING TRUST; and USA) Adversary Case No. **08-01164-LBR**
20 CAPITAL DIVERSIFIED TRUST DEED)
21 FUND, LLC,)
22)
23 Plaintiffs,)
24 v.) **DECLARATION OF GARTH McBRIDE**
25) **IN SUPPORT OF MOTION TO**
26) **APPROVE SETTLEMENT - BEADLE**
27) **McBRIDE EVANS & REEVES, LLP**
28)
29 BEADLE McBRIDE EVANS & REEVES,)
30 LLP; REEVES, EVANS, McBRIDE &)
31 ZHANG, LLP, TG McBRIDE CPA LTD.;)
32 and T GARTH McBRIDE,)
33 Defendants.)

34 **DECLARATION OF GARTH McBRIDE**

35 I, GARTH McBRIDE, hereby swear under oath:

36 1. I am over the age of 18, and mentally competent, and I
37 have knowledge of the facts in this matter and if called upon to do
38 so, could and would testify:

1 2. I was a partner in the then existing BEADLE, McBRIDE,
2 EVANS & REEVES, LLP, and am a current partner in REEVES, EVANS,
3 McBRIDE & ZHANG (hereinafter BMER).

4 3. I was the partner at BEADLE, McBRIDE, EVANS & REEVES,
5 LLP, that was in charge of the accounting performed for the various
6 entities controlled under the USACM LIQUIDATING TRUST including but
7 not limited to DTDF and FTDF. While the BMER group of defendants
8 vehemently deny the allegations of malpractice in accounting
9 related negligence set forth by the USACM LIQUIDATING TRUST, it was
10 determined to be in the best interests of BMER to settle the case
11 for \$1.5 million from insurance proceeds provided by the insurance
12 carrier for BMER.

13 4. Allegations have been made as to the value of claims of
14 the USACM Trust against BMER to be in excess of \$30 million.
15 Again, BMER vehemently denies any wrongdoing or liability for any
16 of the claims set forth by the Trust. However, BMER recognizes
17 that a judgment in excess of the applicable insurance coverage of
18 \$1 or \$2 million provided by the malpractice insurance carrier for
19 BMER would be financially disastrous.

20 5. Other than the insurance assets, BMER and its individual
21 partners do not have the financial capacity, through insurance or
22 otherwise, to pay a judgment that the trustees might recover
23 against it on the relevant claims. BMER would not be in any
24 position to fund any judgment in excess of the aforesaid insurance.
25 A judgment for anything in excess of the insurance would be
26 financially disastrous to the BMER group of defendants. Beyond the
27 financial implications, the plain and simply fact is that there are
28 minimal assets available from any of the BMER entities or

1 defendants that would be available to satisfy said judgment.

2 6. Also, the insurance carrier for BMER has filed a
3 Declaratory Relief Action against BMER. If the insurer succeeds on
4 the Declaratory Relief Action, there would not even be insurance
5 coverage to fund a judgment. Also, the insurer is claiming policy
6 limits to be only \$1 million, not \$2 million.

7 I declare under penalty of perjury under the laws of the
8 United States of America that the foregoing is true and correct and
9 that this declaration was executed on this 24 day of November,
10 2008, at Las Vegas, Nevada.

11
12 

13 GARTH McBRIDE

14 STATE OF NEVADA)
15) ss.
16 COUNTY OF CLARK)

17 SUBSCRIBED AND SWORN to before
18 me by AFFIANT this 24 day of
19 November, 2008.

20
21 
22 NOTARY PUBLIC

